



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

October 18, 2005

Mitch Johnson
Oakley Mountain Corp.
1729 South Highway 27
Oakley, Idaho 83346

Subject: Conditional Acceptance of Notice of Intention to Commence Small Mining Activities, Oakley Mountain Corp. Green Beetle Quartzite Tract, S/003/072, Box Elder County, Utah

Dear Mr. Johnson:

The Division received your Notice of Intent (notice) and initial permit fee payment on September 28, 2005, concerning your proposed Green Beetle Quartzite Tract small mine, located in SE/4 of the SE/4 of the W/2 of Section 36, T11N, R16W, SLBM, Box Elder County, Utah, to disturb approximately 3 acres.

We have completed our review of your proposal and find that your notice satisfies the requirements of the Utah Mined Land Reclamation Act with the exception of the reclamation surety requirements. To complete the surety requirements, the 'draft' reclamation contract needs to be corrected as described below. As soon as the completed reclamation contract is received, we will send you an official written acceptance letter along with copies of the fully signed and executed surety documents. You will then be authorized to commence your operations as outlined, provided you have received written approval from the BLM.

The Division finds your Notice of Intention to Commence Small Mining Operations complete with the following conditions:

- **Reclamation Surety:** The Division has a completed reclamation surety for \$14,300 in the form of a Letter of Credit. The BLM and the School Trust Lands Administration have indicated to the Division that they are satisfied with this amount. However, the Reclamation Contract needs the following corrections before the Division can issue final approval:

Mitch Johnson
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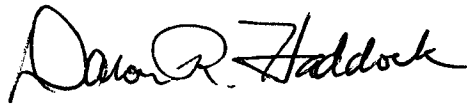
1. Page 1, Description of mine location must include driving; directions (i.e. approx. 20 miles southwest of Park Valley, Utah)
2. Page 2, Escalation year (2008);
3. Page 2, Officers, title can't be "owner" when the operator is a corporation;
4. Page 3, blank, requires acceptance date (use date of this letter);
5. Page 5, signatory must be authorized officer of the Corp. Need authority documents that Mitch has signing authority;
6. Page 7, Legal description cannot be "see map", it must contain the legal description(s) in writing. (Portions of the West 1/2 of Section 36, T11N, R16W, SLBM, Box Elder County, Utah, as shown on attached map).
7. The map requires a title, name of mine, name of operator, scale, legend, a date, and preparer's name

Please submit the revised Reclamation Contract at your earliest convenience so that we may issue final approval of the surety and Reclamation Contract. Mining related activity is not authorized until the Reclamation Contract is completed and the surety is approved, and you have received written approval from the BLM.

Please contact Beth Ericksen at (801) 538-5318 or e-mail bethericksen@utah.gov if you need assistance to complete the Reclamation Contract.

Thank you for your cooperation to help finalize this permitting action. In reply, please refer to file number S/003/072.

Sincerely,


for Susan M. White
Mining Program Coordinator
Minerals Regulatory Program

SMW:LK:jb

cc: Mike Nelson, BLM
John Blake, SITLA
Beth Ericksen, DOGM

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